

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: July 27, 2017
(Date of earliest event reported)

Align Technology, Inc.
(Exact name of registrant as specified in its charter)

DE
(State or other jurisdiction of incorporation)

0-32259
(Commission File Number)

94-3267295
(IRS Employer Identification Number)

2560 Orchard Parkway, San Jose, CA
(Address of principal executive offices)

95131
(Zip Code)

(408) 470-1000
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter)

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition

On July 27, 2017, Align Technology, Inc. ("Align") is issuing a press release and holding a conference call regarding its financial results for its second quarter ended June 30, 2017. The full text of the press release is furnished as Exhibit 99.1 to this Form 8-K.

This information shall not be deemed "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

[Press Release of Align Technology, Inc. dated July 27, 2017](#)

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Align Technology, Inc.

By: /s/ Roger E. George
Roger E. George
Vice President, Legal and Corporate
Affairs and General Counsel

Dated: July 27, 2017

Exhibit Index

Exhibit No.

99.1

Description

Press Release of Align Technology, Inc. dated July 27, 2017

Align Technology Announces Record Second Quarter 2017 Results

SAN JOSE, CA -- (Marketwired - July 27, 2017) -

-- Q2 revenues up 32.3% year-over-year, up 14.9% sequentially to a record \$356.5 million

-- Q2 Invisalign case shipments for North America and International were up year-over-year 27.6% and 37.4%, respectively

-- Q2 Invisalign case shipments to teenage patients up 37.6% year-over-year, up 12.6% sequentially reaching a milestone of 1 million teen patients who have started Invisalign treatment

-- Q2 diluted EPS \$0.85, up 37.1% year-over-year

Align Technology, Inc. (NASDAQ: ALGN) today reported financial results for the second quarter ended June 30, 2017. Invisalign case shipments in the second quarter of 2017 were up 37.4% sequentially and 37.4% year-over-year. Commenting on Align's Q2 2017 results, Align Technology President and CEO Joe Hogan said, "Our second quarter results were better than expected across key financial metrics." For more information, please see the attached GAAP Summary Financial Comparisons and Second Quarter Fiscal 2017.

Q2'17 Q1'17 Q2'16 Q/Q Change Y/Y Change

Invisalign Case Shipments*	231,890	208,060	176,995	+11.5%	+31.0%
Net Revenues	\$356.5M	\$310.3M	\$269.4M	+14.9%	+32.3%
Clear Aligner**	\$321.0M	\$282.4M	\$243.4M	+13.7%	+31.9%
Scanner & Services	\$35.4M	\$27.9M	\$25.9M	+26.9%	+36.7%
Net Profit	\$69.2M	\$69.4M	\$50.1M	(0.3)%	+37.9%
Diluted EPS	\$0.85	\$0.85	\$0.62	\$0.00	+\$0.23

Note: Changes and percentages are based on actual values and may effect totals due to rounding

* Invisalign Shipment figures does not include SmileDirectClub aligners

** Clear aligner revenue includes revenues from Invisalign clear aligners and SmileDirectClub aligners

As of June 30, 2017, Align had \$676.6 million in cash, cash equivalents and marketable securities compared to \$644.2 million as of March 31, 2017. During Q2'17, we reported record revenues of \$356.5 million, up 32.3% year-over-year and up 14.9% sequentially. On July 24, 2017, Align increased the revolving line of credit with SmileDirectClub, LLC to \$30.0 million and purchased an additional 2% equity interest in SmileDirectClub. For more information, please see the attached Q2 2017 Business Highlights.

The following list highlights Align's key announcements for the second quarter:

-- Opens New Invisalign Treatment Planning Facility in Chengdu, China:

Align announced its first manufacturing operations in China and represents the Company's commitment to geographic expansion and investment in the Asia Pacific region. The Chengdu Treatment Planning and Training Centre of Excellence will provide treatment planning services for Invisalign providers in China.

-- Launched TimeLapse Technology for Scan Comparisons and 1 Minute Scan:

Align announced a software upgrade for its iTero Element® intraoral scanners that includes the ability to compare patient scans over time with the new TimeLapse technology, providing general practitioner dentists and orthodontists with enhanced visualization, assessment and communication tools. In addition, with the 1.5 software upgrade, patient scans can be completed in as little as 1 minute.

-- Receives U.S. Patents for SmartTrack Material: Align announced that two

U.S. Patents, Nos. 9,655,691 and 9,655,693, have been issued by the United States Patent and Trademark Office (USPTO) for SmartTrack aligner material, used exclusively for Invisalign aligner treatment. Launched commercially in 2013, Align's proprietary SmartTrack material is an innovative multi-layer polymer that delivers more gentle, constant force

to improve control of tooth movements with Invisalign clear aligners.

-- Reaches 1 Million Invisalign Teen-aged Patients: Align announced that 1 million teenage patients have started treatment with Invisalign, the most advanced clear aligner system in the world. This is a significant accomplishment for the company and its more than 100,000 Invisalign-trained doctors, reflecting increasing preference for Invisalign clear aligners for teenage orthodontic treatment.

-- Global Funding Awarded Toward Advancing Orthodontic and Dental Research: Align announced twelve recipients of research grants under the company's Annual Research Award Program. Now in its eighth year of funding, nearly \$300,000 is being awarded for 2017 to researchers at universities in North America, Europe and Asia Pacific.

-- Launched Invisalign Brand Marketing Campaign: Align announced that it has launched a comprehensive, multi-million dollar marketing campaign for its Invisalign brand designed to challenge metal braces as the status quo method for straightening teen teeth.

Q3 2017 Business Outlook

For the third quarter of 2017 (Q3'17), Align provides the following guidance:

-- Invisalign case shipments in the range of 231 thousand to 234 thousand, up approximately 30% to 32% over the same period a year ago.

-- Net revenues in the range of \$355 million to \$360 million, up approximately 27% to 29% over the same period a year ago.

-- Diluted EPS in the range of \$0.78 to \$0.81, which includes \$0.01 of excess tax benefit.

Align Web Cast and Conference Call

Align will host a conference call today, July 27, 2017 at 4:30 p.m. ET, 1:30 p.m. PT, to review its second quarter 2017 results, discuss future operating trends and About Align Technology, Inc.

Align Technology designs and manufactures the Invisalign® system, the most advanced clear aligner system in the world, and iTero® intraoral scanners and services. A: For additional information about the Invisalign system or to find an Invisalign provider in your area, please visit www.invisalign.com. For additional information at

Forward-Looking Statement

This news release, including the tables below, contains forward-looking statements, including statements regarding certain business metrics for the third quarter of

ALIGN TECHNOLOGY, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

Three Months Ended Six Months Ended

June 30, June 30, June 30, June 30,

2017 2016 2017 2016

Net revenues \$ 356,482 \$ 269,362 \$ 666,823 \$ 508,082

Cost of net revenues 85,565 64,146 160,281 122,239

Gross profit 270,917 205,216 506,542 385,843

Operating expenses:

Selling, general and

administrative 162,964 121,467 314,112 233,677

Research and development 24,384 18,613 47,188 33,696

Total operating expenses 187,348 140,080 361,300 267,373

Income from operations 83,569 65,136 145,242 118,470

Interest and other income

(expense), net 3,212 125 4,857 (302)

Net income before provision

for income taxes and equity

in losses of investee 86,781 65,261 150,099 118,168

Provision for income taxes 15,387 15,113 8,164 27,474

Equity in losses of

investee, net of tax 2,215 - 3,336 -

Net income \$ 69,179 \$ 50,148 \$ 138,599 \$ 90,694

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Net income per share:

Basic \$ 0.86 \$ 0.63 \$ 1.73 \$ 1.14

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Diluted \$ 0.85 \$ 0.62 \$ 1.70 \$ 1.11

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Shares used in computing net

income per share:

Basic 80,188 79,951 80,047 79,891

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Diluted 81,631 81,281 81,668 81,440

ALIGN TECHNOLOGY, INC.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

June 30, December 31,

2017 2016

ASSETS

Current assets:

Cash and cash equivalents \$ 358,182 \$ 389,275

Marketable securities, short-term 243,786 250,981

Accounts receivable, net 291,694 247,415

Inventories 35,133 27,131

Prepaid expenses and other current

assets 74,427 38,176

Total current assets 1,003,222 952,978

Marketable securities, long-term 74,619 59,783

Property, plant and equipment, net 255,539 175,167

Equity method investments 41,724 45,061

Goodwill and intangible assets, net 91,308 81,998

Deferred tax assets 61,783 67,844

Other assets 22,992 13,320

Total assets \$ 1,551,187 \$ 1,396,151

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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable \$ 45,953 \$ 28,596

Accrued liabilities 158,838 134,332

Deferred revenues 220,005 191,407

Total current liabilities 424,796 354,335

Income tax payable 44,581 45,133

Other long term liabilities 3,522 1,294

Total liabilities 472,899 400,762

Total stockholders' equity 1,078,288 995,389

Total liabilities and

stockholders' equity \$ 1,551,187 \$ 1,396,151

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ALIGN TECHNOLOGY, INC.

STOCK-BASED COMPENSATION

(in thousands)

Q1 Q2 Q3 Q4

2016 2016 2016 2016

Stock-based Compensation (SBC)

SBC included in Gross Profit \$ 961 \$ 932 \$ 995 \$ 1,078

SBC included in Operating

Expenses 11,563 12,767 12,716 13,136

Total SBC Expense \$ 12,524 \$ 13,699 \$ 13,711 \$ 14,214

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ALIGN TECHNOLOGY, INC.

STOCK-BASED COMPENSATION

(in thousands)

Fiscal Q1 Q2

2016 2017 2017

Stock-based Compensation (SBC)

SBC included in Gross Profit \$ 3,966 \$ 925 \$ 768

SBC included in Operating

Expenses 50,182 13,887 13,477

Total SBC Expense \$ 54,148 \$ 14,812 \$ 14,245

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ALIGN TECHNOLOGY, INC.

INVISALIGN BUSINESS METRICS*

Q1 Q2 Q3 Q4

2016 2016 2016 2016

Invisalign Average Selling Price

(ASP):

Worldwide ASP \$ 1,255 \$ 1,285 \$ 1,285 \$ 1,230

International ASP \$ 1,315 \$ 1,345 \$ 1,365 \$ 1,315

Invisalign Cases Shipped by

Geography:

North America 110,500 114,855 115,900 122,555

International 53,195 62,140 61,855 67,500

Total Cases Shipped 163,695 176,995 177,755 190,055

YoY % growth 25.2% 22.4% 20.5% 18.5%

QoQ % growth 2.1% 8.1% 0.4% 6.9%

Number of Invisalign Doctors

Cases Were Shipped To:

North America 22,355 22,575 22,570 23,265

International 11,280 12,485 12,720 13,635

Total Doctors Cases Shipped To 33,635 35,060 35,290 36,900

Invisalign Doctor Utilization

Rates*:

North America 4.9 5.1 5.1 5.3

North American Orthodontists 10.4 10.7 11.1 11.3

North American GP Dentists 3.0 3.1 3.0 3.2

International 4.7 5.0 4.9 5.0

Total Utilization Rates 4.9 5.1 5.0 5.2

* # of cases shipped/# of doctors to whom cases were shipped

Number of Invisalign Doctors

Trained:

North America 875 1,125 1,300 1,420

International 1,605 1,760 1,315 2,280

Total Doctors Trained

Worldwide 2,480 2,885 2,615 3,700

Total to Date Worldwide 106,270 109,155 111,770 115,470

Note: Historical public data may differ due to rounding. Additionally, rounding may effect totals.

*Invisalign business metrics exclude SmileDirectClub aligners.

Fiscal Q1 Q2

2016 2017 2017

\$ 1,265 \$ 1,270 \$ 1,285

\$ 1,335 \$ 1,325 \$ 1,335

463,810 132,885 146,510

244,690 75,175 85,380

708,500 208,060 231,890

21.5% 27.1% 31.0%

9.5% 11.5%

34,065 23,910 24,695

20,415 14,955 16,570

54,480 38,865 41,265

13.6 5.6 5.9

36.6 12.6 13.6

7.6 3.1 3.3

12.0 5.0 5.2

13.0 5.4 5.6

* # of cases shipped/# of doctors to whom

cases were shipped

4,720 980 1,620

6,960 2,280 3,255

11,680 3,260 4,875

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115,470 118,730 123,605

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Note: Historical public data may differ due

to rounding. Additionally, rounding may

affect totals.

*Invisalign business metrics exclude

SmileDirectClub aligners.

ALIGN TECHNOLOGY, INC.

BUSINESS OUTLOOK SUMMARY

(unaudited)

The outlook figures provided below and elsewhere in this press release are

approximate in nature since Align's business outlook is difficult to

predict. Align's future performance involves numerous risks and

uncertainties and the company's results could differ materially from the

outlook provided. Some of the factors that could affect Align's future

financial performance and business outlook are set forth under "Forward

Looking Information" above in this press release.

Financial Outlook

(in millions, except per share amounts and percentages)

Q3'17 Guidance

GAAP

Net Revenues \$355.0 - \$360.0

Gross Margin 74.7% - 75.7%

Operating Expenses \$184.5 - \$187.5

Operating Margin 22.7% - 23.6%

Net Income per Diluted Share \$0.78 - \$0.81 (1)

Business Metrics: Q3'17

Case Shipments 231.0K - 234.0K

Capital Expenditure \$70M - \$75M

Depreciation & Amortization \$9.5M - \$10.0M

Diluted Shares Outstanding 81.8M* (2)

Stock Based Compensation Expense \$14.9M

Effective Tax Rate 21.0% (1)

(1) Includes the benefit from the adoption of the new accounting standard

update for share-based compensation

(2) Excludes any stock repurchases during the quarter

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